

Testimony of United States Congressman Henry Cuellar  
Texas District 28

Before the

Committee on the Oversight and Government Reform  
Subcommittee on Government Management, Organization  
and Procurement

United States House of Representatives

July 8, 2009

**Need for a Results-Oriented Philosophy in the  
Congressional Budgeting Process  
Strengthening Congressional Budget Oversight and  
Improving Available Financial Information through  
HR 2142**

Chairwoman Watson, Ranking Member Bilbray and members of the Committee, we are here today in pursuit of making government more efficient, effective, and accountable. I believe that the federal government can do two things to become more efficient, effective, and accountable: we can implement program assessment standards and we can use these standards to conduct legislative oversight. In order to perform both tasks we must have accurate financial information from our agencies is a necessity.

I have introduced a piece of legislation that would implement a structure for continuous program assessments, HR 2142, the Government Efficiency, Effectiveness, and Performance Improvement Act. Improving the performance of our agencies is a bipartisan issue that is a hallmark of good government. Also, adequate program assessments will provide agencies with data that can help in the formulation of accurate financial statements.

I would like to thank Representative Dennis Moore for his significant contributions to this legislation as well as the other Members who have cosponsored this bill. I would also like to thank the many individuals and organizations that have contributed to this effort including Bernice Steinhardt of the Government Accountability Office. Ms. Steinhardt and her colleagues have written extensively on this subject, and we continue to use their research as guidance.

### **What Gets Measured, Gets Done**

I address you today in order to shed further light on our responsibility to provide a continuous level of government improvement for our fellow citizens. The answer is not complicated or expensive; in fact it streamlines government, encourages efficiency, and rewards effectiveness. The concept that I refer to is Performance Based Budgeting.

PBB is a results oriented budget tool that sets goals and performance targets for agencies, and measures their results. PBB not only increases the capacity for legislative oversight, but it also helps to increase the quality of services that our citizens receive. It is important for our legislative body to remain representative and responsive to the needs of our citizens.

David Osborne and Ted Gaebler summarized the need for measurement in their book, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (1992):

- What gets measured, gets done
- If you don't measure results, you can't tell success from failure
- If you can't see success, you can't reward it
- If you can't reward success, you're probably rewarding failure
- If you can't recognize failure, you can't correct it

- If you can demonstrate results, you can win public support (Osborne and Gaebler 1992, 146-155)

This perspective is important, because measuring the performance of government agencies is a fundamental part of our responsibility as a responsible Congress.

#### **A Congress Exercises Four Fundamental Functions:**

- Lawmaking and public policy making. Congress makes laws and sets public policy for the United States. This function includes fact-finding and analysis related to both governmental and non-governmental activities.
- Raising revenues. Congress has authority to levy taxes, fees, and authorize the sale of bonds.
- Budgeting. Congress determines the activities and purposes for which government may spend money.
- General oversight of government. The Constitution prohibits Congress from executing or enforcing the law. But the Congress independently gathers information about the executive and judicial branches to aid it in its policy-making functions.

#### **And Congress Exercises its Oversight Powers to:**

- Protect the public health and welfare,
- Protect citizens' freedoms and assure access to the government,
- Preserve public property, and
- Assure itself that public funds are properly spent and controlled.
- Performance Management in State Governments

Performance Budgeting is not a new idea. Most state governments have undertaken the challenge of implementing Performance Based Budgeting in their own agency institutions. Many of these innovative programs have led to improved efficiency, transparency and effectiveness. This push has also allowed state legislatures to become more accountable in their oversight activities. States experiencing budget shortfalls have used PBB principals to increase the quality of services given to the public.

A lot of wisdom has been gained through the trials in our states, and almost all of them are ahead of the Federal Government in PBB implementation. We need to implement policy examples from the best states, and we need to avoid our past mistakes. The information is at our fingertips, we owe our citizens their due diligence.

#### **Bill Pattern Evolution**

One of the most important changes occurring through the performance budgeting process is the inclusion of performance information in the budget itself. Having performance information included in a manner that is appropriately organized and easily understandable is an important first step. When we have this type of information we have a useful tool for formulating benchmarks. This information can also be valuable in

determining the true budgetary costs of each individual type of service that we provide to our citizens.

Agencies can use this information to justify funding levels for any specific amount of output. Appropriators will also have a better idea of the connection between funding and the impact of their programs.

#### **Need for Program Assessment**

As mentioned earlier, adequate legislative oversight cannot happen without adequate program assessment. My legislation, HR 2142 would do the following:

- **Program Assessments** – Require that every federal program be assessed at least once every five years by teams of analysts from agencies and OMB to evaluate: the clarity of the program's purpose and objectives, the quality of the program's management and organizational design, the quality of the program's strategic and performance planning and goals, and the effectiveness of the program in meeting its strategic objectives.
- **Assessment Reports** – Require that assessment reports summarizing the findings of each assessment be submitted along with the President's budget every year. These reports will provide critical information on program strengths and weaknesses to policymakers and managers.
- **Improvement Plans** – Require agencies to submit, within 90 days after the submission of assessment reports, improvement plans that lay out the management, organizational, and operational reforms the agency will implement to respond to the issues raised in the assessment report and to improve the performance of the program. Improvement plans will help ensure that agencies take necessary follow up actions to address weaknesses identified during an assessment.
- **Agency Performance Improvement Officers and the Performance Improvement Council** – Establish "agency performance improvement officers" to supervise the performance management activities of agencies, and the Performance Improvement Council, to assist in the development of performance standards and evaluation methodologies, identify best practices in performance management practices, and facilitate the exchange of information on performance among agencies. This will ensure that each agency has at least one executive to focus solely on performance issues.

#### **Conclusion**

Performance-based budgeting is a results-driven method which encourages managerial improvement and better program results. We have a responsibility to our citizens, and the dialogue must start with us.

Program assessment is crucial to the development of data needed to identify weak points and improve program performance. What we want to have is a program assessment tool that is Non-Partisan. It should not change when one Administration changes over to another and performance measures should not be under the influence of partisan trends.

We need to Stand Together and do what is best for our citizens. It is for this reason that we need to bring all of Congress together in the support of these necessary solutions.

Thank you for the opportunity to testify. I will look forward to answering your questions.

# Bill Pattern Evolution

## Bill Pattern Comparison for the Texas Department of Insurance 1970-1971

Personal Service—			
Board Members at \$23,500	\$	70,500	\$ 70,500
Commissioner of Insurance		23,000	23,000
Liquidator and Conservator		16,016	16,016
Administrative Assistant		14,000	14,000
Fire Prevention Coordinator		13,248	13,248
Salaries of Classified Positions		3,865,914	3,997,355
Seasonal Help		25,000	25,000
Total, Personal Services	\$	4,027,678	\$ 4,159,119
Other Expenses—			
Travel		398,710	398,710
Consumable Supplies and Capital Outlay		326,458	325,138
Out-of-State Examinations		90,000	90,000
Burial Rate Board		2,500	2,500
Director of Personnel, Assistant Executive Director		16,000	16,000
Tuberculosis		15,500	15,500
Staff Officer and Planning Assistant		15,500	15,500
All other expenses		27,447,795	29,641,065

# Bill Pattern Evolution

## Bill Pattern Comparison for the Texas Department of Insurance 1982-1983

Operating Fund No. 36:

1.	Board Officers:		
a.	Board Members (3)	\$ 153,900	\$ 167,400
b.	Board Administration	253,215	269,993
c.	Information Services	254,970	278,006
2.	Commissioner's Offices:		
a.	Commissioner	49,600	53,900
b.	Administration	231,234	217,994
c.	Hearings	167,213	175,159
d.	Legal Selection	410,886	446,927
e.	Personnel	213,340	232,047
f.	General Support Service	905,454	933,422
g.	Data Processing	1,671,931	1,518,631
h.	Company Conservation and Rehabilitation	175,824	186,926
3.	Business Practices, Enforcement		
a.	General Management	423,916	459,082
b.	Licensing and Regulation (IA,A,PFC)	647,503	698,337
c.	Claims, Complaints, and Investigations	822,862	893,937
d.	Administration of (L,A,andH) Insurance, Health Maintenance Organizations and prepaid legal services	998,456	895,808

**DEPARTMENT OF AGING AND DISABILITY SERVICES**  
(Continued)

Texas State Budget FY  
2010 and FY 2011

Professional Fees and Services	27,995,960	27,995,962
Fuels and Lubricants	1,437,450	1,437,450
Consumable Supplies	6,372,901	6,372,901
Utilities	13,602,578	13,602,576
Travel	12,734,957	12,919,598
Rent - Building	298,042	298,052
Rent - Machine and Other	4,283,953	4,283,953
Other Operating Expense	232,892,408	176,310,295
Client Services	5,462,633,408	5,661,264,223
Food for Persons - Wards of State	9,854,454	9,854,454
Grants	206,682,226	198,242,799
Capital Expenditures	12,868,615	15,658,087

**Total, Object-of-Expense Informational Listing**      \$ 6,548,409,069      \$ 6,686,398,470

**Estimated Allocations for Employee Benefits and Debt  
Service Appropriations Made Elsewhere in this Act:**

<u>Employee Benefits</u>	\$ 28,621,627	\$ 29,050,952
Retirement	120,270,824	130,706,628
Group Insurance	38,966,041	39,550,532
Social Security	3,823,878	3,632,684
Benefits Replacement		

Subtotal, Employee Benefits      \$ 191,682,370      \$ 202,940,796

<u>Debt Service</u>	\$ 13,613,674	\$ 15,360,232
TPFA GO Bond Debt Service	151,175	151,612
Lease Payments		

Subtotal, Debt Service      \$ 13,764,849      \$ 15,511,844

**Total, Estimated Allocations for Employee  
Benefits and Debt Service Appropriations Made  
Elsewhere in this Act**      \$ 205,447,219      \$ 218,452,640

1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Department of Aging and Disability Services. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Aging and Disability Services. In order to achieve the objectives and service standards established by this Act, the Department of Aging and Disability Services shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2010</u>	<u>2011</u>
<b>A. Goal: LONG-TERM SERVICES AND SUPPORTS</b>		
<b>Outcome (Results/Impact):</b>		
Percent of Long-term Care Individuals Served in Community Settings	74.15%	74.3%
Average Number of Individuals Served Per Month:		
Medicaid Non-waiver Community Services and Supports	110,754	110,971
Average Number of Clients Served Per Month: Waivers	52,131	56,651
Number of Persons Receiving Services at the End of the Fiscal Year: Waivers	54,375	58,896
<b>A.1.1. Strategy: INTAKE, ACCESS, &amp; ELIGIBILITY</b>		
<b>Output (Volume):</b>		
Average Monthly Number of Individuals with Mental Retardation (MR) Receiving Assessment and Service Coordination	8,023	8,023
<b>A.2.1. Strategy: PRIMARY HOME CARE</b>		
<b>Output (Volume):</b>		
Average Number of Individuals Served Per Month: Primary Home Care	52,277	52,599
<b>Efficiencies:</b>		
Average Monthly Cost Per Individual Served: Primary Home Care	825.48	838.46
<b>A.2.2. Strategy: COMMUNITY ATTENDANT SERVICES</b>		
<b>Output (Volume):</b>		
Average Number of Individuals Served Per Month: Community Attendant Services	40,925	40,341
<b>Efficiencies:</b>		
Average Monthly Cost Per Individual Served: Community Attendant Services	781.52	788.14



FY 2009 Federal  
Appropriations Language

1 any other appropriation shall be used to provide meal serv-  
2 ices at or for Job Corps centers.

3 VETERANS EMPLOYMENT AND TRAINING

4 Not to exceed \$205,468,000 may be derived from the  
5 Employment Security Administration Account in the Un-  
6 employment Trust Fund to carry out the provisions of 38  
7 U.S.C. 4100-4113, 4211-4215, and 4321-4327, and  
8 Public Law 103-353, and which shall be available for obli-  
9 gation by the States through December 31, 2009, of which  
10 \$1,949,000 is for the National Veterans' Employment and  
11 Training Services Institute. To carry out the Homeless  
12 Veterans Reintegration Programs under section 5(a)(1) of  
13 the Homeless Veterans Comprehensive Assistance Act of  
14 2001 and the Veterans Workforce Investment Programs  
15 under section 168 of the Workforce Investment Act,  
16 \$33,971,000, of which \$7,641,000 shall be available for  
17 obligation for the period July 1, 2009 through June 30,  
18 2010.

19 OFFICE OF INSPECTOR GENERAL

20 For salaries and expenses of the Office of Inspector  
21 General in carrying out the provisions of the Inspector  
22 General Act of 1978, \$76,326,000, together with not to  
23 exceed \$5,815,000, which may be expended from the Em-  
24 ployment Security Administration Account in the Unem-  
25 ployment Trust Fund.